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# THE CONSUMER INSIDER

## News from the Director

With 2008 underway, the Office of Consumer Affairs and I would like to encourage MA residents to resolve to be informed consumers in the New Year. In keeping with tradition, I have compiled a short list of resolutions that can be particularly helpful to consumers throughout 2008.

As a MA consumer I will:

1. Be aware of internet fraud. Information about e-privacy and email scams can be found at OCA's website at [www.mass.gov/ocahomepage](http://www.mass.gov/ocahomepage).
2. Avoid the reverse mortgage trap. They can be extremely expensive transactions due to high

closing costs, monthly compounding of interest, servicing fees and mortgage insurance that rises with the loan balance.

3. Be wary of refund anticipation loans (RALs) when it comes time to file taxes. To learn more about the dangers of RALs as well as tax filing strategies, see the article on page two entitled "Steer Clear of Refund Anticipation Loans."

As Undersecretary, I resolve to work to give you the information you need to make good choices. I look forward to working with you in 2008 and beyond.

## Does Your Car Have Water in the Tank?

Snow coupled with a few warm days and rain equals an increase in complaints of "bad fuel." This usually means that water has found its way into your gas station's storage tanks.

If you experience sputtering or poor performance, have your auto mechanic flush the tank. Too much water in the gas tank can actually stop your car in its tracks.

Be sure to submit a copy of your repair bill to the station that sold you the gas for reimbursement purposes.

Call 617-727-3482 or email [standards.mail@state.ma.us](mailto:standards.mail@state.ma.us) to report where you bought the gas so the Division of Standards can visit the gas station to inspect its storage tanks.

## Consumer Affairs Agencies:

*Division of Banks*

*Division of Insurance*

*Division of Professional Licensure*

*Department of Telecommunications and Cable*

*Division of Standards  
State Racing Commission*

## Managed Competition is Finally Here!

### Good Drivers: Get Set for Lower Rates & More Auto Insurance Choices

Are you a good driver who feels you're paying too much for auto insurance? If so, you're not alone. For years Massachusetts has been the only state in the nation that sets auto insurance rates. Our system of overregulation made good drivers pay more than their fair share and gave all drivers just one policy option.

Fortunately that's all about to change, thanks to the Office of Consumer Affairs and the Division of Insurance. Managed competition begins this month and that means that good drivers everywhere in Massachusetts will start to benefit from lower rates, more choices and better services.

Auto insurance companies have unveiled significant rate decreases and innovative coverage options and discounts. The Division estimates that nearly half of all responsible Massachusetts drivers will save 10% or more on their 2008 auto insurance premiums.

Are you wondering how you can shop your good driving record around to find the best possible rates and policy options? Visit the Division's new consumer web site when it launches mid-month. It's designed to help you compare sample premiums from the state's 19 auto insurers. Check [www.mass.gov/doi](http://www.mass.gov/doi) for the latest developments.

Consumer Hotline:

888-283-3757 or 617-973-8787

## Commissioner's Corner

The fourth in a series introducing readers to OCA Commissioners



George K. Weber is the Director of the Division of Professional Licensure. He first joined the Division in 1999 as Chief Prosecutor and subsequently served as General Counsel.

Director Weber is responsible for ensuring that the Division of Professional Licensure protects Massachusetts consumers by upholding regulatory compliance and the integrity of the licensing process for approximately 330,000 licensees across 43 trades and professions under the jurisdiction of 30 boards of registration. Under his leadership, the Division increased enforcement actions by 15% and implemented important new laws such as the Insurance Fraud Law that licensed hundreds of chiropractic and physical therapy facilities for the first time.

Prior to joining the Division, Mr. Weber served as the Chief of the Attorney General's Consumer Protection and Antitrust Division for eleven years. He was also in charge of the Commonwealth's Medicaid reimbursement litigation against the tobacco industry. In addition to his law degree, Mr. Weber has a Ph. D. from M. I. T. where his doctoral thesis was in the field of law and public policy.

## Steer Clear of Tax Refund Anticipation Loans

With tax season upon us, the OCA advises Massachusetts consumers to be wary of tax refund loans, also known as *refund anticipation loans* (RALs). RALS are secured by and paid from your pending federal tax refund - advertised by many lenders as an easy alternative to waiting for your upcoming refund check.

However, these seemingly small loans come with a hefty price. The annualized interest rates are very high and RALS must be paid back even if your refund is denied, less than expected, or frozen. If a taxpayer is unable to repay the loan, the lender may send the account to a debt collector.

Instead of resorting to RALS, use the following strategies when filing this tax season:

- File your tax return electronically with the refund deposited directly into your bank account. You should receive your refund in less than 10 days.
- Reduce your income tax withholding so that you won't have to wait for a refund next year.
- If you earned \$54,000 or less in 2007, use the IRS *Free File* program to prepare your taxes online at [www.irs.gov/efile](http://www.irs.gov/efile).
- Ask if you qualify for the Earned Income Tax Credit.

For more information about the risks of refund anticipation loans go to the National Consumer Law website at [www.nclc.org/initiatives/refund\\_anticipation/](http://www.nclc.org/initiatives/refund_anticipation/).

## Take Charge of Your Mailbox Reduce Catalog Clutter

Do you wish for a way to stop the nuisance of unwanted catalogs? If so, then Office of Consumer Affairs invites you to look no further than [www.catalogchoice.org](http://www.catalogchoice.org). The website's free services reduce the number of repeat or unsolicited catalog mailings and are available for both consumers and businesses to use. Consumers register with the site and then indicate which catalogs they no longer wish to receive. The site is designed for continued use, so if you receive more unwanted catalogs simply return to the site and choose to decline them.

Currently, more than 19 billion catalogs are produced and discarded each year. Not only does Catalog Choice help you to benefit from reduced mailbox clutter and increased consumer privacy, it also gives you the power to positively impact our environment.

This service gained national attention when the Park School in Brookline announced they cancelled 4,175 unwanted catalog subscriptions in a single month. You too can take back control of your mailbox by becoming one of the nearly half million consumers who have registered with Catalog Choice.

Join for free at [www.catalogchoice.org](http://www.catalogchoice.org).

## National Consumer Protection Week

Mark your calendars: the 10<sup>th</sup> annual National Consumer Protection Week (NCPW) kicks-off March 2, 2008. NCPW highlights consumer protection and education efforts across the country and recognizes those who help safeguard citizens from consumer fraud. This year's theme, "Financial Literacy: A Sound Investment," encourages consumers to take steps to build a firm financial foundation for themselves and their families.

The Office of Consumer Affairs is committed to improving financial literacy in Massachusetts. Our financial literacy program for students and teachers will continue to use a curriculum prepared by the National Endowment for Financial Education (NEFE) High School Financial Planning Program to bring financial skills to high schools students across Massachusetts.

Stay alert for more NCPW news to come in the weeks ahead!